

# The Debt Ceiling and the Grim Election of 2012

Posted: 08/10/11 11:54 AM ET

Lincoln Mitchell, Harriman Institute, Columbia University

As the 2012 election approaches, the choice which confronts the American people is more depressing than it is stark. Four years ago, candidate Barack Obama generated a great deal of excitement, even optimism. It is hard to imagine any candidate from either party doing that in 2012. Additionally, neither party can present itself as the party of change or new ideas in the coming election.

Many of those supporting President Obama's reelection bid will do so with very little enthusiasm. They will cast their votes and make their contributions, but they will do so with resignation and fear of the Republican alternative, rather than with hope or anticipation of meaningful change. It is possible that some of the more extreme right wing Republican candidates such as Michele Bachmann or Rick Perry will generate excitement among Tea Partiers and other radical right wingers, but the image of anybody getting excited about the likely Republican nominee, Mitt Romney, is laughable.

The coming election will also present voters with a choice, not between two sets of ideas or competing visions for America, but between one party, the Democrats, that has failed to either solve the myriad problems facing America or even demonstrate a genuine ability to govern, and another, the Republicans for whom solving problems and governing are simply not priorities. Over the last two and a half years, the Republican Party, even after winning back control of the House of Representatives in 2010, has remained focused on defeating President Obama and refusing to veer from their extremist and dangerous economic ideology of low taxes and cutting spending as the overriding priority.

The result of the interaction between the lack of vision or competence on the Democratic side and anti-tax fervor and destructive tendencies on the Republican side is the debt ceiling deal which was recently passed. This deal demonstrated that the Republicans are willing, even eager, to put the economy and the country's future at risk if it means making Obama look bad, but it also demonstrated that three years into his presidency, President Obama had still not developed a vision for solving the country's economic woes, or been able to communicate whatever vision he had to the American people.

The Republicans would not have been able to get the better part of this deal without the weak bargaining and failure to stick to their own demands that has sadly become the defining trait of the Obama administration. However, the Democratic defeat in the recent debt ceiling negotiation has its roots in the failure of the administration to present its own vision and set of solutions for America's economic problems, and to place the debt in the

context of those serious problems. This lies at the root of the problems the Obama administration has faced since 2009

More significantly, the debt ceiling deal is very likely to plunge the economy back into a recession because cutting spending, according to most economists, is precisely the wrong way to generate jobs and economic growth during a recession. This is, of course, very bad news for the millions of Americans who are currently unemployed, underemployed or worried about their job security. The insult which is likely going to be added to this economic injury is that in the coming election, instead of both parties presenting visions for generating job growth, it is more likely that both parties will be trying to pin the blame on their opponents. This is already the Republican strategy, as they knowingly advocated for a debt ceiling deal that would weaken the economy because they believed Obama would get blamed for the subsequent economic downturn.

The more or less official position of the Republican Party seems to be that it doesn't matter how bad unemployment gets as long as the president is held responsible, while the position of the Obama administration is that while jobs are important, there is always something else, which usually involves appeasing the Republicans, that takes precedence over developing a real jobs creation strategy of a scope appropriate for the unemployment crisis facing the country. As the election approaches, it is hard to imagine what either party would do to stimulate the economy if they got into office. A Republican president would probably seek to cut taxes and further reduce spending and hope for an employment miracle, while America devolved into further economic crisis. A second Obama administration would not be as radical or destructive, but it is no longer realistic to expect that in his second term President Obama, regardless of which party controlled congress, would support or pass an aggressive and expansive job creation strategy.

Thus, we are moving towards an election which is likely to be about blame and responsibility rather than jobs and the economy. This is clearly the turf on which both parties are most comfortable playing, but it is no way to address the big problems facing the country and the economy which are only likely to get bigger after 2012.